## ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-20475A WATCO, INC. PO BOX 1270

MAR 2 8 2008

SHOW LOW, AZ 85902-1270 Ctoi Utilities

### **ANNUAL REPORT**

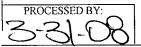
FOR YEAR ENDING

12 31 2007

FOR COMMISSION USE

**ANN 04** 

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#### **COMPANY INFORMATION**

The Address BO DOW 107	0		
Mailing Address PO BOX 127 (Street)	<u>U</u>		
SHOW LOW	AZ	85902-12	270
(City)	(State)	(Z.	ip)
( 3 /			•
(928) 537-8739	(928) 537-1245 Fax No. (Include Area Code)		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Incl	ude Area Code)
Email Addresswatercos@gma	il.com		
Local Office Mailing Address 340 N	9 <sup>TH</sup> STREET, STE. A		
	(Street)		
SHOW LOW	AZ (State)	8590	)1
(City)	(State) (928) 537_1245	(Z.	1 <b>p</b> )
Local Office Telephone No. (Include Area Coo	(928) 537-1245	Cell No. (Inclu	ide Area Code)
Email Addresswatercos@gma	ANAGEMENT INFORMATIO		
Email Address watercos@gma  M  Management Contact: M	ANAGEMENT INFORMATIO	<u>PRESIDEN</u>	NT
Email Address watercos@gma  M  Management Contact: M	ANAGEMENT INFORMATIO	<u>PRESIDEN</u>	NT
Email Addresswatercos@gma  M  Management Contact:M  PO BOX 1270	ANAGEMENT INFORMATIO  IARK GRAPP  (Name) SHOW LOW	DN  PRESIDEN  (Tit	NTle)85902_
Email Address watercos@gma  M  Management Contact: M	ANAGEMENT INFORMATIO	<u>PRESIDEN</u>	NT
Management Contact:M PO BOX 1270 (Street) (928) 537-8739	ANAGEMENT INFORMATIO  IARK GRAPP  (Name)  SHOW LOW  (City)  (928) 537-1245	PRESIDEN (Tit AZ (State)	NT85902(Zip)
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Please mark this box if the above address(es) have changed or are updated since the last filing.

2

Statutory Agent:	N/A	
	(Name)	
(Street)	N/A (City)	(State) (Zip)
Telephone No. (Include Area Code	N/A Fax No. (Include Area Code	Cell No. (Include Area Code)
		Son 110. (morado 1 noa Coulo)
Attorney:	N/A (Name)	
(Street)	N/A (City)	(State) (Zip)
		· · ·
Telephone No. (Include Area Code	Fax No. (Include Area Code	Cell No. (Include Area Code)
Email Address	N/A	
Please mark this box if the	above address(es) have changed or	r are updated since the last filing.
	OWNERSHIP INFORMA	ATION
Check the following box that ap	oplies to your company:	
Sole Proprietor (S)	C Corporati	ion (C) (Other than Association/Co-op)
Partnership (P)	⊠ Subchapter	S Corporation (Z)
Bankruptcy (B)	Association/	Co-op (A)
Receivership (R)	Limited Lia	bility Company
Other (Describe)		
	COUNTIES SERVE	<u>D</u>
Check the box below for the con	unty/ies in which you are certificated	to provide service:
□ АРАСНЕ	☐ COCHISE	☐ COCONINO
☐ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	☐ MARICOPA	☐ MOHAVE
<b>⋈ NAVAJO</b>	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		

#### **UTILITY PLANT IN SERVICE**

Acct.		Original	Accumulated	O.C.L.D.
No.	DESCRIPTION	Cost (OC)	Depreciation (AD)	(OC less AD)
301	Organization	1,542	0	1,542
302	Franchises	7	0	7
303	Land and Land Rights	27,094	0	27,094
304	Structures and Improvements	9,135	7,163	1,972
307	Wells and Springs	19,361	19,361	0
311	Pumping Equipment	13,423	13,243	0
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59,016	36,839	22,177
331	Transmission and Distribution Mains	380,540	319,581	60,959
333	Services	69,192	50,298	18,894
334	Meters and Meter Installations	25,560	20,482	5,078
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	604,870	466,967	137,903

This amount goes on the Balance Sheet Acct. No. 108

#### CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation  Expense (1x2)
301	Organization	1,542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27,094	0	0
304	Structures and Improvements	9,135	3.33	304
307	Wells and Springs	19,361	3.33	645
311	Pumping Equipment	13,423	12.5	1,678
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59,016	5.0	2,951
331	Transmission and Distribution Mains	380,540	2.0	7,611
333	Services	69,192	3.33	2,304
334	Meters and Meter Installations	25,560	8.33	2,129
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	604,870		17,622

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_\_Acct. No. 403.

#### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF	BALANCE AT END OF
	ASSETS	YEAR	YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$0	\$0
134	Working Funds	342	(381)
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	6,473	6,523
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS		
		\$6,815	\$6,142
	FIXED ASSETS		
101	Utility Plant in Service	\$603,141	\$604,870
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	449,990	466,967
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$153,151	\$137,903
	TOTAL ASSETS	\$159,966	\$144,045

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

#### **BALANCE SHEET (CONTINUED)**

Acct.		BALANCE AT BEGINNING OF	BALANCE AT END OF
No.	LIABILITIES	YEAR	YEAR
	CURRENT LIABILITES	40	40
231	Accounts Payable	\$0	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	23,954	27,139
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$23,954	\$27,139
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	8,752	8,739
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$8,752	\$8,739
	TOTAL LIABILITIES	\$32,706	\$35,878
201	CAPITAL ACCOUNTS	ΦΛ	\$0
201	Common Stock Issued	\$0	20
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	127,177	108,167
218	Proprietary Capital (Sole Props and Partnerships)	Ø107.000	\$100.167
	TOTAL CAPITAL	\$127,260	\$108,167
	TOTAL LIABILITIES AND CAPITAL	\$159,966	\$144,045

#### COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
No.			4.0.
461	Metered Water Revenue	\$102,026	\$101,501
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	950	750
	TOTAL REVENUES	\$102,976	\$102,251
<del></del>	OPERATING EXPENSES		
601	Salaries and Wages	\$58,622	\$63,415
610	Purchased Water	0	0
615	Purchased Power	7,845	10,176
618	Chemicals	0	0
620	Repairs and Maintenance	394	1,236
621	Office Supplies and Expense	12,720	5,937
630	Outside Services	2,068	2,888
635	Water Testing	294	2,201
641	Rents	7,064	6,036
650	Transportation Expenses	2,752	2,980
657	Insurance – General Liability	1,487	2,225
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	0	660
403	Depreciation Expense	17,530	17,622
408	Taxes Other Than Income	6,117	6,263
408.11	Property Taxes	3,234	3,268
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$120,127	\$124,367
	OPERATING INCOME/(LOSS)	\$ (17,151)	\$ (22,116)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	(267)
,	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$0
	NET INCOME/(LOSS)	\$(17,151)	\$(22,383)

COMPANY NAME WATCO, INC.

#### SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
	N/A	N/A	N/A	N/A
Date Issued	***************************************			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	9/	% 9/	6 %	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 3,616	
Meter Deposits Refunded During the Test Year	\$912	

COMPANY NAME WATCO, INC.

Name of System: WATCO, INC.

ADEQ Public Water System Number:09027/09049

#### WATER COMPANY PLANT DESCRIPTION

#### **WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	538	8	2	1964
55-506606	5	31	440	6	2	1983
						-

<sup>\*</sup> Arizona Department of Water Resources Identification Number

#### **OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		
	9.75	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	7	1	
A			
****			

STORAGE TAN	STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity	
100,000	1	10,000	1	
25,000	1	3,000	1	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	WATCO, INC.	
Name of System:	WATCO, INC.	ADEQ Public Water System Number:09027/09049

#### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### **MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	AC & PVC	33,872
5	PVC	33,872 9,206
6		
8		
10		
12		
and the same of th		

#### **CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X <sup>3</sup> / <sub>4</sub>	
3/4	333
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: N/A			
	2010	 	
STRUCTURES: 12'x30'BUILDING		U. bu	
20'x20'BUILDING			
OTHER: N/A			
		 <del></del>	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WATCO, INC.	
Name of System: Silver Lake Estates	ADEQ Public Water System Number: 09027

#### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
		(Thousands)	(Thousands)	(Thousands)
JANUARY	270	978,180	1,191,300	0
FEBRUARY	271	1,079,930	1,223,400	0
MARCH	270	979,410	1,074,300	0
APRIL	271	1,194,560	1,304,500	0
MAY	274	1,309,770	1,342,800	0
JUNE	271	2,698,940	2,818,900	0
JULY	270	1,645,680	1,644,000	0
AUGUST	275	1,199,710	1,282,600	0
SEPTEMBER	280	1,826,660	2,057,200	0
OCTOBER	279	1,093,790	1,111,200	0
NOVEMBER	280	1,445,550	1,737,100	0
DECEMBER	280	1,086,970	1,364,700	0
TOTALS —	<b>&gt;</b>	16,539,160	18,152,000	0

What is the level of arsenic for each well on your system?001mg/1 (If more than one well, please list each separately.)
If system has fire hydrants, what is the fire flow requirement? _N/A_GPM for _N/A_hr
If system has chlorination treatment, does this treatment system chlorinate continuously  ( ) Yes  (X) No
Is the Water Utility located in an ADWR Active Management Area (AMA)?  ( ) Yes (X) No
Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  ( ) Yes (X) No
If yes, provide the GPCPD amount:N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system

COMPANY NAME: WATCO, INC.	
Name of System: Bourdon Ranch	ADEQ Public Water System Number: 09049

#### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
		(Thousands)	(Thousands)	(Thousands)
JANUARY	30	137,111	147,400	0
FEBRUARY	30	126,090	145,700	0
MARCH	30	158,110	175,200	0
APRIL	30	216,330	235,100	0
MAY	30	178,630	195,400	0
JUNE	30	420,080	457,300	0
JULY	30	246,680	391,700	0
AUGUST	28	147,270	159,200	0
SEPTEMBER	29	336,710	322,600	0
OCTOBER	29	169,350	179,800	0
NOVEMBER	29	292,000	305,500	0
DECEMBER	29	150,410	155,400	0
TOTALS —	<b>→</b>	2,578,770	2,874,300	0

What is the level of arsenic for each well on your system?002mg/l (If more than one well, please list each separately.)
If system has fire hydrants, what is the fire flow requirement? _N/A_GPM for _N/A_hrs
If system has chlorination treatment, does this treatment system chlorinate continuously?  ( ) Yes (X) No
Is the Water Utility located in an ADWR Active Management Area (AMA)?  ( ) Yes (X) No
Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  ( ) Yes (X) No
If yes, provide the GPCPD amount: N/A  Note: If you are filing for more than one system, please provide separate
data sheets for each system.

COMPANY NAME:_WATCO, INC	YEAR ENDING 12/31/2007			
PROPERTY TAXES				
Amount of actual property taxes paid during Calendar Year 2007 was	: \$_3,268.27			
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.				
If no property taxes paid, explain why				

#### VERIFICATION AND **SWORN STATEMENT** Taxes

VERIFICATION

STATE OF ARIZONA I, THE UNDERSIGNED OF THE

COUNTY OF (COUNTY NAME) **NAVAJO** NAME (OWNER OR OFFICIAL) TITLE MARK GRAPP, PRESIDENT/GENERAL MANAGER COMPANY NAME WATCO, INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### **SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF NOTARY PUBLIC

SIGNATURE OF OWNER OR OFFICIAL (928) 537-8739 TELEPHONE NUMBER SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF DAY OF 20 o V

OFFISMALISEAL MELISSA ROBINSON My Comm. Expires December 28, 2009

THIS

COMPANY NAMEWATCO, INC	YEAR ENDING 12/31/2007 OME TAXES	
	<del></del>	
For this reporting period, provide the following:		
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability	0 0	
State Taxable Income Reported Estimated or Actual State Tax Liability	00	
Amount of Grossed-Up Contributions/Advances:		
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances	0 0 0	
Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.		
CERTIFICATION		
The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.		
SIGNATURE	<u> </u>	
MARK E. GRAPP	PRESIDENT/GENERAL MANAGER	
PRINTED NAME	TITLE	

ALCEVED.

## VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

MAR 2 € 2008 AZ CORP COMÍV Director Utilities

VERIFICATION
STATE OF ARIZONA
I. THE UNDERSIGNED

COUNTY OF (COUNTY NAME)

NAVAJO

NAME (OWNER OR OFFICIAL) TITLE

MARK E. GRAPP President/General Manager

COMPANY NAME

WATCO, INC.

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE</u> UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

\$102,122	
(THE AMOUNT IN BOX ABOVE	J
INCLUDES \$ 6,263	
IN SALES TAXES BILLED, OR COLLECTE	D

Arizona Intrastate Gross Operating Revenues Only (\$)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SIGNATURE OF OWNER OR OFFICIAL
978-537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

Navajo

8<u>0</u>02.

MELISSA ROBINSON
MY CONTROL PURIC STATE OF MEZON
MY COMMITTY
MY Comm. Expires December 28, 2009

Albert Robuson
SIGNATURE OF NOTARY PUBLIC

# VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

**Intrastate Revenues Only** 

PECHNED

MAR 2 8 2008

AZ CORP COMM Director Utilities

**VERIFICATION** 

STATE OF ARIZONA	COUNTY OF (COUNTY NAME) NAJAVO	
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) MARK E. GRAPP	TITLE President/General Manager
OF THE	COMPANY NAME WATCO, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR 12 31 2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### SWORN STATEMENT

THIS

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM <u>ARIZONA INTRASTATE UTILITY OPERATIONS</u> RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$_102,122	THE AMOUNT IN BOX AT LEFT INCLUDES \$6,263 IN SALES TAXES BILLED, OR COLLECTED)
*RESIDENTIAL REVENUE REPORTED ON THIS I MUST INCLUDE SALES TAXES BILLED.	PAGE  SIGNATURE OF OWNER OR OFFICIAL
	(928) 537-8739  TELEPHONE NUMBER
SUBSCRIBED AND SWORN TO BEFOR	TE ME NOTARY PUBLIC NAME ROYS ON

DAY OF

OFFICIAL SEAL

OFFICIAL SEAL

NOTELIOSA ROBINSON

Notary Public - State of Arizona

MY CPONTENTOSNON EXPIRES 12/28/09

Nay Comm. Expires December 28, 2009

100

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

X SIGNATURE OF NOTARY PUBLIC

MONTH

MISKE Your check payable to and mail to:

2006. Delinquent interest will be waived. conbou with your payment postmarked no later than Dec. 31, year if the entire amount billed exceeds \$100, send the 1st half postmarked no later than May 1, 2007. To pay taxes for the full half installment, send the 2nd half coupon with your payment payment postmarked no later than Nov. 1, 2006. To pay the 2nd To pay the 1st half installment, send the 1st half coupon with your

#### PAYMENT INSTRUCTIONS

2,027,26

97,090,2

STATOT

SHOW LOW AZ 85902-1270 P O BOX 1270 MARK GRAPP/GEN MGR SILVER WELL SERVICE CORP DBA WATCO Jahnelladindhiriladiradidddiddidd 0707S1-S0688 S670 1 8H OTUA\*\* E6S.0 VA 10 4716100

**TAX NOTICE** 

CALENDAR YEAR A SI SIHT

Holbrook AZ 86025-0668 888 xoa 09 Navajo County Treasurer Manny Hemandez

0 800-18-926

This is the Enly notice you will receive.

275 DM

40.011 County School Equal 00,0 10020 3.35 49.57 12.63 14,21 Northern Arizona VIT 30000 64'99 Pub Health Sycs Dist 58888 Mayajo County FCD 3,45 12728 75.7 11.37 Nav Co Library Dist 14900 25.24 28,42 Fire Dist Asst Fund 11900 North-Pio College 08.686 72.S2A 09180 1,275,04 12.876,1 Show Low SD #10 01070 160.02 40,771 Navajo County 02000

92"962

204-27-028 2,850 TOTAL VALUE OF OPERATING PROPERTY **FEGVE DESCRIPTION:** 

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2,850 116,000 111,302 869'5 SECTION MEDIUM 800 F

**VCREAGE:** 

1,848

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Verernell O 800-18-926

PARCEL #

SILVER WELL SERVICE CORP DBA WATCO

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year

prorated monthly as of the 1st day of the

month for payments postmarked after 5:00

P.M. May 1, 2007 (ARS 42-18052 and ARS

Due March 1,

926-81-008 0 0080296

42-18053).

2006 SECOND HALF PAYMENT COUPON

### VINCO OIBVEN

THE ROLL GOOF

DETACH AND RETURN WITH PAYMENT

Make check payable to: Manny Hernandez Navajo County Treasurer PO Box 668 Holbrook AZ 86025-0668

24.5

Payment in U.S. FUNDS ONLY

TO PAY 2ND HALF

279619

WEST UNIXED AND WHEN

PAY

1,045.38

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

099268100800000000104538

Manny Hernandez **Navaio County Treasurer** PO Box 668 Holbrook AZ 86025-0668

PLEASE CHECK YOUR RECORDS

> DELINQUENT **TAXES DUE**

2006 9268100800 2 00000020907600000104538

# 2006 FIRST HALF PAYMENT COUPON

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053). Due October 1, 2006
SILVER WELL SERVICE CORP DBA WATCO 926-81-008 0 **Delinquency Date** First Half Payment 0080296

in full using the first payment coupon, no later than November 1, 2006 at 5:00 p.m. Any total property tax of \$100 or less must be paid

with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived. To pay taxes for the full year, send the 1st half coupon

Manny Hernandez Navajo County Treasurer PO Box 668

Holbrook AZ 86025-0668

DETACH AND RETURN WITH PAYMENT

Manny Hernandez Navajo County Treasurer PO Box 668 Holbrook AZ 86025-0668 Make check payable to:

Payment in U.S. FUNDS ONLY

1,045.38

TO PAY FULL YEAR TAX PAY TO PAY 1ST HALF ONLY PAY

2,090.76

tax payments consider this notice as a courtesy copy for your records only. If your mortgage company makes your property

099268100800000000104538 YOUR RECORDS PLEASE CHECK

DELINQUENT TAXES DUE

Navajo County Treasurer

926-81-008 0 0080296 - SLE

7/5/2007

2136

500.00

131.2 Checking

Navajo County Treasurer

WATCO, INC.

926-81-008 0 / 0080296

926-81-008 0 0080296 - SLE

7/5/2007

500.00

2136

500.00

131.2 Checking

926-81-008 0 / 0080296

Navajo County Treasurer

926-81-008 8 / 0080296 SLE

7/27/2007

2157

500.00

131.2 Checking

926-81-008 8 / 0080296

500.00

WATCO, INC.

Navajo County Treasurer

926-81-008 8 / 0080296 SLE

7/27/2007

2157

500.00

131.2 Checking

926-81-008 8 / 0080296

Navajo County Treasurer

8/11/2007 926-81-008 / TAX YEAR: 2006 / ROLL: 008 - SLE

2171

500.00

131.2 Checking

926-81-008 / TAX YEAR: 2006 / ROLL: 008

500.00

WATCO, INC.

Navajo County Treasurer

8/11/2007 926-81-008 / TAX YEAR: 2006 / ROLL: 008 - SLE

500.00

2171

131.2 Checking

926-81-008 / TAX YEAR: 2006 / ROLL: 008

926-81-008 / 80296

Navajo County Treasurer

8/21/2007

2177

250.00

131.2 Checking

926-81-008 / 80296

926-81-008 / 80296

Navajo County Treasurer WATCO, INC.

8/21/2007

2177

250.00

250.00

131.2 Checking

926-81-008 / 80296

Navajo County Treasurer

926-81-008 / 80296 BALANCE

8/29/2007

2182

524.24

131.2 Checking

926-81-008 / 80296 BALANCE

2182

524.24

Navajo County Treasurer

WATCO, INC.

926-81-008 / 80296 BALANCE

8/29/2007

524.24

131,2 Checking

926-81-008 / 80296 BALANCE

131.2 Checking **WATCO, INC.**Navajo County Treasurer Navajo County Treasurer 926-81-008 / 80296 BALANCE 926-81-008 / 80296 BALANCE 926-81-008 / 80296 BALANCE 9/12/2007 9/12/2007 17.45 17.45 17.45 2188 2188

*HAXES DUE* DELINQUENT

**YOUR RECORDS** PLEASE CHECK

Holbrook AZ 86025-0668 898 xo8 O9 Navajo County Treasurer Manny Hemandez <u> Արդախվություն ակարակության ակակական ակական ական ական ական ար</u>

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copy for your records only. tax payments consider this notice as a courtesy it your mortgage company makes your property SAA bns S2081-S4 SAA) Y002 , F YEM .M.A

month for payments postmarked after 5:00 brorated monthly as of the 1st day of the Penalty for late payment is 16% per year

nemudneuch nate Second Hall Payment

9529800 \$ 900-18-926

Due March 1, 2007

2006 SECOND HALF PAYMENT COUPON

335.00

Payment in U.S. FUNDS ONLY

YA9

**TO PAY 2ND HALF** 

08150

11206

11900

14900

15728

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Holbrook AZ 86025-0668 PO Box 668 Navajo County Treasurer

Make check payable to:

DETACH AND RETURN WITH PAYMENT

AB ZOM 211116 21112 211 Navalo County **2006 TAX SUMMARY** PARCEL # 926-81-005 204.64 1005 5.9623 4.3168 EXEMPTIONS ATTAX HATE AT NET ASSESSED assessmen: VANDEUDODLARS ASSESSED VALUE ESSISTE AD TO EDUCATION 0.00 14,009 24.5 ō 5.9623 204.64 NET GRUMARYA PROPERTY ATAYS 204.64 0.0 0.0000 0.00 14,009 3,432 ø 204.64 SECONDÁRY PROPERTY I 465.36 44,000 10,780 24.5 O 465.36 4.3168 SPECIAL DISTRICT TAX 0.00 0 0.0 0 0 4.0168 0.00 n 0.0 ^ Ó 0.0000 0.00 TOTAL TAX DUE FOR 2006 670.00 10.780 44.000 465.36 ACREAGE: JURISDICTION 0080295 02000 Navajo County 21.39 69.71 SITUS ADDRESS: 07010 Show Low SD #10 223.31 555.47 NULL 167.20

North-Pio College

White Mtn. Lakes FD

Fire Dist Asst Fund

Nav Co Library Dist

Pub Health Svcs Dist

Northern Arizona VIT

County School Equal

Navajo County FCD

This is the only natice you will receive. Manny Hernandez Navajo County Treasurer PO Box 668

Holbrook AZ 86025-0668

TOTAL VALUE OF OPERATING PROPERTY

LEGAL DESCRIPTION:

204-57-016 44,000

WC. BR

THIS IS A CALENDAR YEAR **TAX NOTICE** 

926-81-005 1 0019174 01 AV 0.293 \*\*AUTO H8 1 0792 85902-127070

Hadadalataladhaaalaadhadhadhadhaaldaalalad SILVER WELL SERVICE CORP DBA WATCO MARK GRAPP/GEN MGR P O BOX 1270 SHOW LOW AZ 85902-1270

> PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK.

**TOTALS** 

670.00

67.30

10.78

32.34

21.16

5.39

0.00

4.31

284.02

1,206.36

291.65

11.00

33.00

21.59

5.50

47.94

3.30

#### **PAYMENT INSTRUCTIONS**

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinguent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez Navajo County Treasurer PO Box 668 Holbrook AZ 86025-0668

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

#### OCSEE000000000290000000 2 TOSOOT8926 9002

**JUG SAXAT** DELINQUENT

*KONE BECORDS* PLEASE CHECK

Holprook AZ 86025-0668 899 xo8 Oq Navajo County Treasurer Manny Hemandez իկվութվակականությունիկությունին անություն

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copy for your records only. tax payments consider this notice as a courtesy It your mortgage company makes your property

Penalty for late payment is 16% per year Delinquency Date Second Half Payment

9529800 1 900-18-926

**00.25E** 

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**JAH GNS YA9 OT** 

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SILVER WELL SERVICE CORP DBA WATCO Due March 1, 2007

SAA bns S2081-S4 SAA) Y002 , I YBM MA

mouth for payments postmarked after 5:00

prorated monthly as of the 1st day of the

Holprook AZ 86025-0668 PO Box 668 Navajo County Treasurer Manny Hernandez wyke cyeck badapje to:

2006 SECOND HALF PAYMENT COUPON

Payment in U.S. FUNDS ONLY

DETACH AND RETURN WITH PAYMENT

2000年110月2日 Navalo Count RRIGATION DISTRICT PARCEL # **2006 TAX SUMMARY** 926-81-005 PRIMARY PROPERTY TAX 1 1005 5.9623 4.3168 204.64 ASSESSMENT ALTENIODENTS ASSUUSE ASSESSED VALUE \*\*\* TEXEMPTIONS TAX FLATE NET ASSESSED \*\* LESS STATE AID TO EDUCATION 0.00 14,009 3,432 5.9623 204.64 NET PRIMARY PROPERTY (AX 204.64 ۵ 0.0 O 0.0000 0.00 14,009 3,432 0 204.64 SECONDARY PROPERTY TAY 465.36 44,000 10,780 ٥ 4.3168 465.36 SPECIAL DISTRICT TAX 0.00 0.0 0 0 Ω 4.0168 0.00 0.0 ٥ n O 0.0000 0.00 TOTAL TAX DUE FOR 2006 670.00 44.000 10,780 465.36 JURISDICTION ACREAGE: 0080295 Navajo County Show Low SD #10 SITUS ADDRESS; 21.39 02000 69.71 NULL 223.31 07010 555.47 08150 North-Pio College 67.30 167.20

White Mtn. Lakes FD

Fire Dist Asst Fund

Nav Co Library Dist Navajo County FCD

Pub Health Svcs Dist

Northern Arizona VIT

WC BR

County School Equal

Manny Hernandez Navajo County Treasurer PO Box 668

Holbrook AZ 86025-0668

TOTAL VALUE OF OPERATING PROPERTY

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LEGAL DESCRIPTION:

204-57-016 44,000

THIS IS A **CALENDAR YEAR** TAX NOTICE

926-81-005 1

Urladddallooddallodladkaladladladla SILVER WELL SERVICE CORP DBA WATCO MARK GRAPP/GEN MGR P O BOX 1270 SHOW LOW AZ 85902-1270

0019174 01 AV 0.293 \*\*AUTO H8 1 0792 85902-127070

PLEASE INCLUDE YOUR PARCEL NUMBER

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670.00

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Manny Hernandez **Navajo County Treasurer** PO Box 668 Holbrook AZ 86025-0668

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

ON YOUR CHECK.

# 2006 FIRST HALF PAYMENT COUPON

Due October 1, 2006 SILVER WELL SERVICE CORP DBA WATCO 926-81-005 1 0080295

**Delinquency Date** First Half Payment Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

copy for your records only.

Manny Hernandez Navajo County Treasurer PO Box 668

Holbrook AZ 86025-0668

tax payments consider this notice as a courtesy If your mortgage company makes your property

in full using the first payment coupon, no later than November 1, 2006 at 5:00 p.m. Any total property tax of \$100 or less must be paid

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31**, 2006. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

Wake check payable to: Manny Hernandez Navajo County Treasurer PO Box 668

Holbrook AZ 86025-0668

TO PAY 1ST HALF ONLY PAY

335.00 670.00

TO PAY FULL YEAR TAX PAY

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YOUR RECORDS PLEASE CHECK

TAXES DUE

THINDER AU VALUIEM IAA - ITIO OOSS IRKKA CHIDIN

#### **2006 FIRST HALF PAYMENT COUPON**

Due October 1, 2006 SILVER WELL SERVICE CORP DBA WATCO 926-81-005 1 0080295

Delinquency Date First Half Payment Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2006 (ARS 42-18052 and ARS 42-18053).

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DETACH AND RETURN WITH PAYMENT

Make check payable to: Manny Hernandez Navajo County Treasurer PO Box 668 Holbrook AZ 86025-0668

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY

335.00

TO PAY FULL YEAR TAX

670.00

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

Nabillallambhladlamballabdallabdi.

**Manny Hernandez** Navajo County Treasurer PO Box 668 Holbrook AZ 86025-0668

**PLEASE CHECK** YOUR RECORDS

> DELINQUENT **TAXES DUE**

2006 9268100501 1 000000067000000000033500

926-81-005 1 / 0080295 - BR

Navajo County Treasurer 7/5/2007 250.00 2137

131.2 Checking 131.2 Checking Navajo County Treasurer WATCO, INC. 926-81-005 1 / 0080295 926-81-005 1 / 0080295 926-81-005 1 / 0080295 - BR 7/5/2007 250.00 250.00 250.00 2137

Navajo County Treasurer

926-81-005 1 / 0080295 - BR

7/27/2007

2156

250.00

131.2 Checking

926-81-005 1 / 0080295

926-81-005 1 / 0080295 - BR

Navajo County Treasurer

WATCO, INC.

7/27/2007

2156

250,00

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131.2 Checking

926-81-005 1 / 0080295

Navajo County Treasurer WATCO, INC.

926-81-005 1 / 0080295 - BR

8/11/2007

250.00

131.2 Checking

926-81-005 1 / 0080295

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WATCO, INC.

Navajo County Treasurer

926-81-005 1 / 0080295 - BR

8/11/2007

250.00

131.2 Checking

926-81-005 1 / 0080295

Navajo County Treasurer

926-81-005 1 / 0080295 - BR FINAL PAYMENT

8/21/2007

226.58

131.2 Checking

926-81-005 1 / 0080295